

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		✓		
2	DDCI		✓		
3	EXDIR		✓		
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15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
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19	C/IPD/OIS				
20	ES		✓		
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SUSPENSE		Date			

Remarks:

Please note TP 3.

D/Executive Secretary

7/15/82

Date

3507 (10-81)

Executive Registry

82-3549

14 July 1982

MEMORANDUM FOR: Deputy Director for Intelligence

FROM: Director of Central Intelligence

1. I have been suggesting the need for analysis of where there is economic opportunity and geopolitical leverage in exploiting the failure of Communist economics and demonstrating the benefit of economic cooperation with the West and market-oriented economics. My suggestions may have emerged in a scheduled estimate on which [] is the action officer. It is titled, "The USSR and the Third World," scheduled for the third quarter. I don't think that's quite what I'm looking for. 25X1

2. I attach an item from this morning's State Department sheet which brought this thing to my mind, i.e., India's conversion to the belief that its economic problems "can best be solved by the private rather than the public sector and that the US is the best source for this approach." Also, Henry Kissinger's piece in the 28 June New Republic, in addition to being quite a recantation, has this to say:

"If the industrial democracies which to subsidize their exports by easy credit or pricing policies, the creative aura for such efforts is not in the Communist countries but in the third world--especially among its moderate, market-oriented governments."

Also, in my talk to the Commonwealth Club of California, I had this to say:

"Many Third World countries have tried the Communist model and discovered that it doesn't work. The Soviets have been kicked out of Egypt, Sudan and Somalia. But to hold their people, leaders in these harassed countries needed to show that ties with the West do yield economic benefits. Even a modest Western presence enhancing their trade and production and creating some jobs is all that they need to point to. Here the American private sector can play a far more significant role than government aid. What is needed in the Third World is not steel mills and power plants but entrepreneurial activity suited to the prevailing level of economic opportunity. That's the vision which President Reagan projected at the Cancun Summit."

3. I think we need an intelligence assessment of those countries that have strategic significance to get American business involvement, where loans for private sector development could provide opportunity for business facilities and energies now depend on subsidized loans to the Soviet Bloc, where the Cancun vision might be implemented, etc. AID has a new unit which is targetted to ten

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countries in which they are making an effort to involve American businesses. It is administered by Mrs. Elise R. W. duPont, who came over here and had lunch with me and [REDACTED] I will send this on to you now and try to dig 25X1 out some material and memoranda on this subject that I recall dictating at that time.



William J. Casey

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